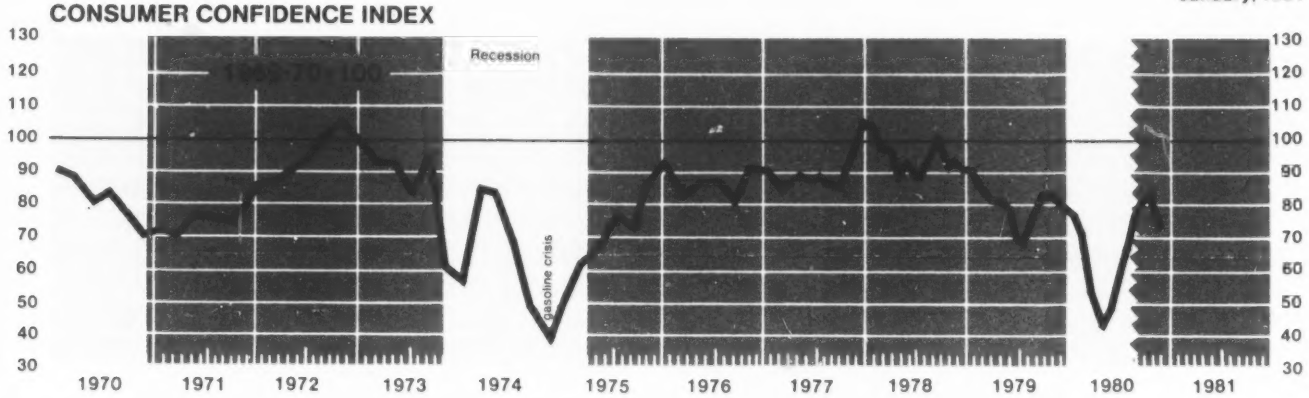
Consumer Attitudes and Buying Plans

A Monthly Report from THE CONFERENCE BOARD
Based on a Survey Conducted by National Family Opinion, Inc.

January, 1981

CONSUMER CONFIDENCE INDEX



CONSUMERS DISENCHANTED AGAIN— BUYING PLANS ALSO OFF

The consumers' spirits sagged in December after six consecutive months of improvement. The Board's Confidence Index (1969-1970 = 100) now stands at 72.5 for a loss of somewhat more than 11 points from last time. Plans to buy are also down.

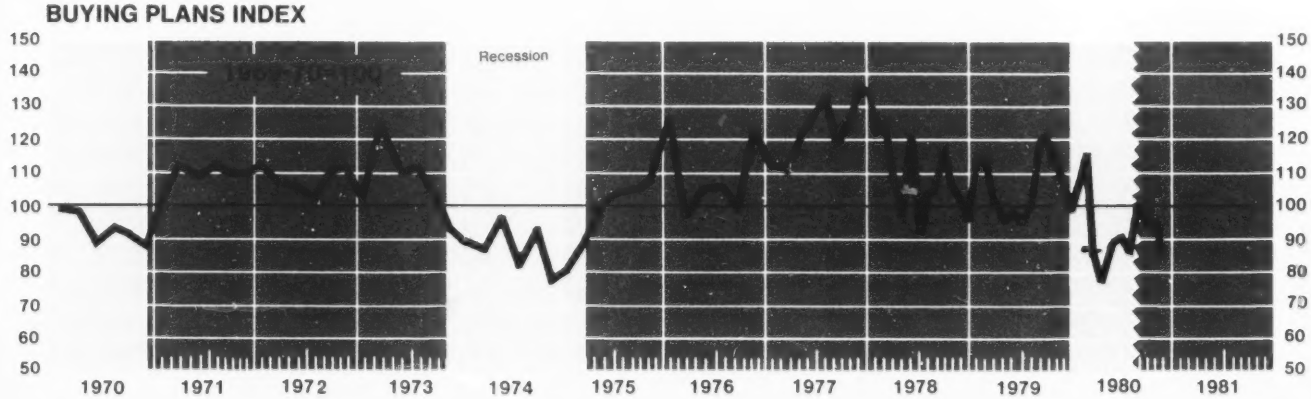
The consumers' appraisals of ongoing business and employment conditions, however, are only moderately less favorable than in the preceding survey. However in looking ahead, consumers are now markedly less optimistic than they have been in some months. In the latest probe, more persons than last time fear that business conditions will worsen and more express concern about job availability. In assessing the employment outlook, pessimists now substantially outnumber optimists—specifically, about 22% expect jobs to grow sparser compared with 16.5% who believe that jobs will become more available. The reverse situation was recorded in the preceding month. There has also been an increase in the number of those who are concerned about their financial circumstances in the months ahead.

Buying plans, too, are running lower than in the preceding probe. Intentions to purchase an automobile—new or used—were indicated by 6.5% of all respondents, down from a prior reading of 7.3%. Intentions to acquire a major appliance have also edged down, to 25.0% of those contacted from 28.1%. Largest declines here were recorded for refrigerators and color TV sets. Plans to buy a home remain unchanged, but this series has been running at a relatively low level for quite some time. In the latest survey, 2.7% of those contacted said that they would purchase a home, down from 3.4% this time last year.

Fewer persons also plan to go on vacation during the next six months: 43.9%, off from 46.2% in October when this question was last included in the study. There has also been a decline in the proportion of those who plan to visit a foreign country.

Fabian Linden

BUYING PLANS INDEX



All data seasonally adjusted

Consumer Expectations and Intentions

Based on surveys conducted by National Family Opinion, Inc.
Percentage of all households

All series seasonally adjusted	1979 Dec	1980 Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov (r)	Dec (p)
Composite Series, Index Numbers, 1969-1970 = 100													
Consumer Confidence Index	80.8	79.1	76.4	71.5	52.9	42.1	48.6	59.4	66.4	76.2	80.2	83.7	72.5
Present Situation	93.8	91.1	85.6	79.6	63.9	56.5	34.6	37.5	36.9	48.0	46.7	51.9	48.8
Expectations	72.1	71.1	70.3	66.1	45.5	44.4	58.0	73.9	86.1	95.0	101.3	105.0	88.2
Buying Plans Index	107.2	99.2	107.0	116.4	85.4	76.2	89.9	90.2	85.7	100.4	93.6	96.2	87.0
Appraisal of Present Situation: Percent													
Business Conditions													
Good	25.9	25.8	23.2	22.3	17.4	11.8	12.5	13.1	12.9	16.9	16.1	16.6	16.0
Bad	14.4	14.2	16.6	20.0	25.2	37.0	39.4	37.4	37.8	31.3	30.3	28.9	29.9
Normal	59.7	60.0	60.2	57.7	57.4	51.2	48.1	49.5	49.3	51.8	53.6	54.5	54.1
Employment													
Jobs plentiful	21.4	19.9	20.2	20.5	16.2	10.4	9.0	9.8	9.7	11.2	11.7	12.2	11.5
Jobs not so plentiful	53.9	54.2	52.9	50.0	52.3	50.4	46.5	46.8	46.6	48.5	49.0	51.3	49.8
Jobs hard to get	24.7	25.9	26.9	29.5	31.5	39.2	44.5	43.4	43.7	40.3	39.3	36.5	38.7
Expectations for Six Months Hence: Percent													
Business Conditions													
Better	14.5	13.6	13.0	12.6	8.6	9.5	15.0	18.8	22.2	25.6	23.9	26.3	21.0
Worse	21.7	22.0	21.6	25.3	42.7	40.2	33.9	22.6	19.0	13.8	12.1	9.8	14.6
Same	63.8	64.4	65.4	62.1	48.7	50.3	51.1	58.6	58.0	60.6	64.0	63.9	64.4
Employment													
More jobs	13.0	12.3	11.8	10.9	6.5	7.1	12.4	15.8	18.9	20.6	21.3	21.2	16.5
Fewer jobs	31.1	30.5	29.7	31.7	46.6	47.5	40.9	28.7	25.4	20.7	17.6	16.3	22.2
Same	55.9	57.2	58.5	57.4	46.9	45.4	46.7	55.5	55.7	58.7	61.1	62.4	61.3
Income													
Increase	33.7	36.6	34.2	34.7	30.2	24.3	28.6	27.4	32.5	31.7	32.2	32.3	30.3
Decrease	7.2	7.2	7.3	7.6	11.7	12.9	12.9	11.1	8.3	9.5	6.5	7.1	8.0
Same	59.1	56.2	58.5	57.7	58.1	62.8	58.5	61.5	59.2	58.8	61.3	60.6	61.7
Plans to Buy Within Six Months: Percent													
Automobile													
Yes	7.8	7.7	8.2	9.6	6.3	6.0	6.6	6.7	6.0	7.4	6.8	7.3	6.5
New	4.2	4.1	5.0	5.3	3.6	3.1	3.8	3.2	2.9	4.2	3.8	3.8	3.2
Used	3.3	2.9	2.8	3.9	2.3	2.7	2.6	3.3	2.7	2.7	2.6	3.3	3.2
Uncertain	0.3	0.7	0.4	0.4	0.4	0.2	0.2	0.2	0.4	0.5	0.4	0.2	0.1
Home													
Yes	3.4	2.5	3.2	2.9	2.2	2.0	3.0	2.8	2.7	3.0	2.8	2.7	2.7
New	1.0	0.5	0.9	0.9	0.5	0.4	1.1	0.7	0.5	0.9	0.8	0.8	0.8
Lived in	1.4	1.4	1.5	1.5	1.2	1.2	1.1	1.4	1.1	1.2	1.3	1.1	1.3
Uncertain	1.0	0.6	0.8	0.5	0.5	0.4	0.8	0.7	1.1	0.9	0.7	0.8	0.6
Major appliances													
Total plans	30.5	28.5	29.0	32.2	27.2	21.5	23.3	25.2	25.7	28.9	26.4	28.1	25.0
Refrigerator	4.0	4.3	4.0	4.5	3.1	2.7	3.3	3.5	3.7	4.5	3.3	3.8	3.3
Washing machine	4.1	3.6	3.6	4.3	3.9	2.7	3.4	3.7	3.2	4.1	3.1	3.8	3.7
Black and white TV	1.3	1.3	1.7	1.6	1.5	1.0	1.2	1.0	1.5	1.5	1.4	1.4	1.3
Color TV	7.2	6.5	6.4	7.0	6.6	5.0	5.4	6.2	6.5	6.7	5.9	6.0	5.1
Vacuum cleaner	5.4	4.7	5.5	6.3	5.2	4.1	3.9	4.4	4.2	5.0	5.1	4.9	3.6
Range	3.3	3.3	2.9	3.2	2.2	2.1	2.2	2.2	2.6	3.0	2.5	2.6	3.4
Clothes dryer	3.8	3.1	3.1	3.4	3.2	2.6	2.6	2.7	2.6	2.8	3.0	3.1	2.9
Air conditioner	1.4	1.7	1.8	1.9	1.5	1.3	1.3	1.5	1.4	1.3	2.1	2.5	1.7
Carpet	10.7	10.9	10.0	12.1	9.1	9.1	9.4	8.0	8.6	10.3	11.3	9.9	9.0
Vacation Intended Within Six Months: Percent													
Vacation Intended	46.7		43.6		43.0		43.7		42.9		46.2		43.9
Destination													
Home state	10.4		11.1		10.0		10.6		11.0		11.2		10.7
Other states	33.0		29.4		29.9		29.4		28.2		32.5		30.2
Foreign country	4.5		4.3		3.9		4.3		4.5		4.1		3.5
Means of Travel													
Automobile	33.1		30.2		29.9		31.5		31.2		34.3		29.7
Airplane	13.1		13.4		13.8		12.3		11.2		12.0		12.1
Other	2.5		2.6		2.6		3.6		2.7		2.9		1.4

Note: All 1979 data have been adjusted to reflect that year's revised seasonal factors. (p)—preliminary (r)—revised

Please Note: In the interest of speeding the data contained in this publication to you, these series are now available on-line through The Conference Board Data Base. For more information, contact Linette Stein at (212) 759-0900.